

1-1 By: Deuell S.B. No. 658
 1-2 (In the Senate - Filed February 19, 2013; February 25, 2013,
 1-3 read first time and referred to Committee on Economic Development;
 1-4 March 18, 2013, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 5, Nays 0; March 18, 2013,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12			X	
1-13			X	
1-14	X			
1-15	X			

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 658 By: Watson

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to the imposition and collection of a penalty for
 1-20 fraudulently obtaining unemployment compensation benefits.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Subsection (b), Section 203.201, Labor Code, is
 1-23 amended to read as follows:

1-24 (b) The special administration fund consists of:

1-25 (1) all interest and penalties collected under this
 1-26 subtitle, other than a penalty assessed under Section
 1-27 214.003(a)(2); and

1-28 (2) any amounts received under any surety bond for
 1-29 losses sustained by the special administration fund, ~~and~~
 1-30 ~~[(3) money transferred under Section 203.103].~~

1-31 SECTION 2. The heading to Section 214.003, Labor Code, is
 1-32 amended to read as follows:

1-33 Sec. 214.003. FORFEITURE OR CANCELLATION OF BENEFITS PAID
 1-34 AND REMAINING BENEFITS; PENALTY.

1-35 SECTION 3. Section 214.003, Labor Code, is amended by
 1-36 amending Subsections (a) and (c) and adding Subsection (d) to read
 1-37 as follows:

1-38 (a) If, by wilful nondisclosure or misrepresentation of a
 1-39 material fact, whether the nondisclosure or misrepresentation is
 1-40 made by the person or for the person by another, a person receives a
 1-41 benefit when a condition imposed by this subtitle for the person's
 1-42 qualifying for the benefit is not fulfilled or the person is
 1-43 disqualified from receiving the benefit:

1-44 (1) [7] the person forfeits the:

1-45 (A) ~~[(1)]~~ benefit received; and

1-46 (B) ~~[(2)]~~ rights to benefits that remain in the
 1-47 benefit year in which the nondisclosure or misrepresentation
 1-48 occurred; and

1-49 (2) the commission shall require the person to pay a
 1-50 penalty in an amount equal to 15 percent of the amount forfeited
 1-51 under Subdivision (1)(A).

1-52 (c) A forfeiture, ~~or~~ cancellation, or penalty imposed
 1-53 under this section is effective only after the person has been
 1-54 afforded an opportunity for a fair hearing before the commission or
 1-55 its duly designated representative.

1-56 (d) A person who is assessed a penalty by the commission
 1-57 under Subsection (a)(2) is liable for the amount of the penalty.
 1-58 The commission may collect the penalty in the same manner as
 1-59 provided by Sections 213.031, 213.032, 213.033, 213.035, and
 1-60 213.051 for the collection of past-due contributions. The

2-1 commission shall deposit a penalty assessed under Subsection (a)(2)
2-2 in the unemployment compensation fund established under Section
2-3 203.021.

2-4 SECTION 4. Section 214.003, Labor Code, as amended by this
2-5 Act, applies only to a final determination made by the Texas
2-6 Workforce Commission or the commission's duly designated
2-7 representative on or after October 1, 2013, that a person received a
2-8 benefit due to a nondisclosure or misrepresentation. A final
2-9 determination made before that date is governed by the law in effect
2-10 on the date the determination was made, and the former law is
2-11 continued in effect for that purpose.

2-12 SECTION 5. This Act takes effect October 1, 2013.

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